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January 26, 2026

The Honorable Dr. Mehmet Oz
Administrator
Centers for Medicare & Medicaid Services
U.S. Department of Health and Human Services
200 Independence Avenue SW
Washington, DC 20201

Re: Proposed Rule on Policy and Technical Changes to Medicare Advantage for Contract Year 2027 (CMS-4212-P)

Dear Administrator Oz,

The Medicaid and CHIP Payment and Access Commission (MACPAC) appreciates the opportunity to comment on the Centers for Medicare & Medicaid Services (CMS) proposed rule: Medicare Program; Contract Year 2027 Policy and Technical Changes to the Medicare Advantage Program, Medicare Prescription Drug Benefit Program, and Medicare Cost Plan Program, 90 Fed. Reg. 227 (November 28, 2025).

It has long been the Commission's view that integrated care has the potential to improve care for dually eligible beneficiaries, eliminate incentives for cost shifting between Medicare and Medicaid, and reduce spending that may arise from duplication of services or poor care coordination (MACPAC 2020a). Dually eligible beneficiaries may experience fragmented care and poor health outcomes when their benefits are not coordinated (CMS 2025a). Medicare Advantage (MA) dual eligible special needs plans (D-SNPs) have been a particular area of focus for the Commission given their widespread availability, the number of dually eligible beneficiaries enrolled in them, and the requirement that D-SNPs contract with the state Medicaid agencies in which they operate. In 2025, more than 6 million dually eligible beneficiaries received their Medicare, and sometimes their Medicaid, benefits through D-SNPs, making that model the primary vehicle for integration (CMS 2025b). In our June 2021 Report to Congress, MACPAC described the contracting strategies available to states through their state Medicaid agency contracts (SMACs) to increase integration in D-SNPs (MACPAC 2021). Then, we examined how states choose to implement, oversee, and enforce SMAC provisions to integrate care for dually eligible individuals, including the challenges that states face in doing so. Our findings led the Commission to recommend that states require D-SNPs to submit data on care coordination and MA encounters (MACPAC 2024a). We applaud CMS's efforts to ensure D-SNPs are a meaningful vehicle for integration.

The proposed rule would make several changes affecting dually eligible beneficiaries, including updates and amendments to previously finalized D-SNP regulations:

- changes to passive enrollment regulations for integrated D-SNPs, and
- additional exceptions to D-SNP integration requirements, including allowing highly integrated dual eligible special needs plans (HIDE SNPs) and coordination-only D-SNPs that also contract with states as Medicaid managed care organizations to continue enrolling full-benefit dually eligible individuals also enrolled in Medicaid fee-for-service (FFS).

Our work in this area lends itself to commenting on several of the proposed changes in the rule.

Passive enrollment into integrated D-SNPs

The proposed provision makes changes to regulations CMS finalized in April 2018 to allow for passive enrollment of certain dually eligible individuals from a non-renewing integrated D-SNP into another comparable plan that meets certain requirements, including having a substantially similar provider network. Though enrollment in integrated care continues to grow, factors including D-SNP market forces and state re-procurements can create disruptions in coverage in integrated care plans. Instances in which an integrated D-SNP is non-renewing can result in enrollment in two different organizations for Medicare and Medicaid benefits. However, CMS has been unable to implement the passive enrollment regulations because of challenges meeting the substantially similar provider network standard, which is not defined in regulation. The proposed rule would remove the substantially similar network requirement, and instead require receiving D-SNPs to provide at least 120 days of continuity of care for incoming enrollees while maintaining existing beneficiary notification requirements and the ability for those who are passively enrolled to opt out of the receiving plan. The proposed rule would also specify that an integrated D-SNP receiving passive enrollment must have sufficient care coordinator staffing capacity for new enrollees (CMS 2025c).

The Commission supports efforts to increase the availability and accessibility of integrated care models for dually eligible individuals. Given the Commission's interest and past work on integration, we support this change to existing passive enrollment regulations to allow them to be operationalized. MACPAC's prior work with Mathematica found passive enrollment in the Financial Alignment Initiative was associated with higher enrollment levels in integrated plans, removes potential administrative barriers to enrollment, and can help reduce opt-out and disenrollment rates (MACPAC 2019). As market changes and state re-procurement decisions become increasingly common with the continued growth of integrated care, allowing for passive enrollment between a non-renewing integrated D-SNP and a comparable plan can help increase enrollment and retention in integrated plans.

Continuity in enrollment for full-benefit dually eligible individuals in a D-SNP and Medicaid FFS

In our January 2024 comment letter on the 2025 proposed rule, the Commission expressed support for the then-proposed provisions that limited enrollment in certain D-SNPs to people enrolled in an affiliated Medicaid managed care plan under the same parent company and limited an MA organization to offering only one D-SNP in the same service area as the organization's Medicaid managed care organization serving full-benefit dually eligible individuals (MACPAC 2024b). These provisions were ultimately finalized in the April 2024 final rule (CMS 2024). The Commission also commented on the importance of considering state capacity to develop integrated programs and states' limited experience with Medicare, which might impact their ability to fully understand the MA contracting cycle. MACPAC has consistently heard from stakeholders and highlighted challenges regarding state staff capacity to develop long-term strategies affecting dually eligible beneficiaries, which make it difficult for states to anticipate how to craft an approach that will maximize integration opportunities. Our research has demonstrated that states may not always have the ability to include home- and community-based services or behavioral health services in their contracts, meaning that HIDE SNPs and fully integrated dual eligible special needs plans (FIDE SNPs) are not widely or consistently available. In our June 2023 Report to Congress, we

highlighted that states may not have a managed care option in which to align enrollment (MACPAC 2023). Likewise, in our June 2024 Report to Congress, we noted that, in our interviews, states raised a lack of state capacity as the primary barrier for setting and overseeing additional requirements in their contracts with D-SNPs (MACPAC 2024a).

CMS now proposes to create additional exceptions to the applicability of the regulations finalized in the April 2024 rule, including exceptions to allow D-SNPs that serve full-benefit dually eligible individuals in a HIDE SNP or a coordination-only D-SNP to continue enrollment of these individuals in a D-SNP in the same service area where they are enrolled in Medicaid FFS. CMS notes that these proposed changes would address the challenges of MA organizations complying with the existing requirements in states where there is no mandatory Medicaid managed care program for dually eligible individuals, and avoid the need for MA organizations in those states to cease enrolling full-benefit dually eligible individuals who are in Medicaid FFS in 2027 and to disenroll those individuals in 2030 (CMS 2025c).

We support CMS's efforts to accommodate states' varying managed care landscapes and the challenges states and plans face as they work toward greater integration of Medicare and Medicaid benefits. While we continue to support the provisions finalized in the April 2024 rule, the proposed exceptions respond to concerns that we have consistently heard from states about their limited capacity to develop integrated care programs. Furthermore, our prior work has shown that stronger integration requirements do not always lead to operational integration for dually eligible individuals as state adoption of those requirements is uneven (MACPAC 2023, 2024a). As CMS notes, in some states where Medicaid FFS is available and HIDE SNPs can enroll dually eligible individuals who are also in Medicaid FFS, exclusively aligned enrollment cannot be achieved (CMS 2025c). Under one scenario, states with MA organizations that would fall under these proposed exceptions and that currently enroll dually eligible beneficiaries in Medicaid managed care on a voluntary basis could work to create a mandatory Medicaid managed care program that requires full-benefit dually eligible individuals to receive their Medicare and Medicaid benefits from the same organization, and redesign their contracting strategy accordingly, for example. However, this may not be feasible for a number of reasons, including opposition to mandatory enrollment of duals into managed care, the need to obtain approval from the state legislature, and the relatively short timeframe in which the April 2024 final rule provisions take effect in 2027 and 2030. Without these proposed changes, some dually eligible HIDE SNP and coordination only D-SNP enrollees in states without mandatory Medicaid managed care would lose the benefits of coordination they receive from those plans. We support the proposal as a way to prevent this disruption and to balance integration requirements with state flexibility.

Request for information (RFI): Chronic condition special needs plan (C-SNP) and institutional special needs plan (I-SNP) growth and dually eligible individuals

The proposed rule includes an RFI on an area of interest to the Commission: that of increased enrollment among dually eligible beneficiaries in C-SNPs and I-SNPs, MA plans that do not offer integrated care. In the RFI, CMS requests comment on potential policy changes to support integrated care among this population. MACPAC has prior work relevant to several of the suggested policies including state use of SMACs, the importance of care coordination, and concerns about D-SNP look-alike plans.

State use of SMACs. CMS solicits comment on establishing a SMAC requirement for C-SNPs and I-SNPs that enroll 60 percent or more dually eligible beneficiaries. CMS describes the proposed SMAC requirement as similar to the policy framework under current law for D-SNPs. MACPAC views the existing SMAC requirement as a tool that states can use to increase integration in the D-SNPs they choose to contract with. Certain minimum requirements must be met, and states have the authority to impose additional requirements on D-SNPs beyond what the Medicare Improvements for Patients and Providers Act of 2008 (MIPPA, P.L. 110-275) requires. For example, states can limit D-SNP enrollment to full-benefit dually eligible beneficiaries, individuals who receive full Medicaid benefits in addition to Medicare (MACPAC 2021). State adoption of SMAC requirements has been

uneven and states have cited a lack of capacity and Medicare expertise as a barrier to overseeing D-SNP performance (MACPAC 2024a). While MACPAC is supportive of this idea, CMS may want to consider state capacity and expertise to take on management of additional contracts with C-SNPs and I-SNPs. MACPAC has previously recommended that CMS guidance on contracting with SNPs could support states in meeting their integration goals (MACPAC 2024a).

Care coordination. CMS requests comment on ways to increase care coordination for dually eligible beneficiaries enrolled in C-SNPs and I-SNPs. While we have not analyzed care coordination in C-SNPs or I-SNPs, we have found that care coordination is central to integrating Medicare and Medicaid services and is an important feature of the D-SNP model. We have heard from stakeholders that data on care coordination, such as health risk assessment completion rates, are key for evaluating D-SNP performance and the overall health of the integrated care program (MACPAC 2024a). States can use their SMAC to establish care coordination requirements, and the Commission recommended that states use their authority at 42 CFR 422.107 to require D-SNPs to submit regular care coordination data to the state for purposes of monitoring, oversight, and the assurance that plans are coordinating care according to state requirements (MACPAC 2024a).

Look-alike plans. CMS requests comment on applying D-SNP look-alike contracting limitations to C-SNPs. Based on CMS data included in the NPRM, the number of dually eligible beneficiaries enrolled in C-SNPs more than doubled between calendar years 2021 and 2025 (CMS 2025c). The Commission has previously analyzed the proliferation of MA plans that are not integrated but have high levels of enrollment among dually eligible beneficiaries. The Commission has been concerned that the plans might draw people who are dually eligible away from integrated models, acting at cross purposes with federal and state efforts to integrate care for this population (MACPAC 2020b). MACPAC supports CMS efforts to address the increased enrollment in C-SNPs among the dually eligible population, while keeping in mind the potential burden on states and beneficiaries. CMS proposes measures to reduce those burdens. For example, CMS suggests that states without integrated D-SNPs, into which C-SNP enrollees could transition, could be exempt. The agency also suggests that partial-benefit dually eligible beneficiaries could be exempt since they do not benefit from the SMAC requirements in the same way as the full-benefit population because they do not receive Medicaid benefits.

Thank you for the opportunity to comment on this proposed rule. We appreciate CMS's continued efforts to promote integration of Medicare and Medicaid for dually eligible beneficiaries. Please let us know if there is any additional information MACPAC can provide to assist in your consideration of our comments or that would be helpful as you finalize the rule.

Sincerely,

Verlon Johnson, MPA
Chair

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